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## Progress of the Pacific.

During the past month, perhaps more than at any time for many years past, the rapid organization of trusts in the United States is receiving the most serious

### Current Opinions Concerning Trusts

discussion from the newspapers on the mainland. As the tendency here, in the most remarkable industrial activity in the history of Hawaii, for the last few years has been in the direction of large combinations of capital, it will be profitable to review the consensus of opinion on the subject.

American metropolitan journals are always hysterical and it is not best to form an opinion on the subject from what they say. A trust, in a measure, is an irresponsible thing, that is to say, it is difficult to bring it to account. The agitation against trusts may, therefore, be considered pretty generally in the interests of the people and will doubtless result in wholesome national legislation for curtailing a power that might otherwise interfere with individual freedom and assume the functions of government.

It is not likely that any complete list of trusts has ever been published but the year book for 1899, of the *Journal of Commerce and Commercial Bulletin*, of New York, probably gives the most complete list although it does not include those organized since March. These trusts show a capitalization of \$4,247,918,981 of common and \$870,575,200 of preferred stock, in addition to a bonded indebtedness of \$714,388,661, making a total of \$5,832,882,842. This list includes most of the important incorporated trusts, but only a few of the unincorporated ones. It includes none of the many great freight and passenger associations still in existence in the railroad world notwithstanding the Supreme Court decisions in the Trans-Missouri and the Joint Traffic Association cases declaring such rate-fixing associations illegal. It also contains only samples of the many municipal monopolies—those in street railroads, gas, electric light and power, telephones, etc.

In addition to this the issue of May 19 con-

tains a list of 18 big trusts with a proposed capitalization of \$1,312,000,000 now in process of incubation.

The same journal in commenting upon the great industrial change in the United States says:

"The change is the most stupendous revolution ever accomplished in the history of the world's industrial growth. Its suddenness is as remarkable as its magnitude. It has come with none of the careful deliberation that usually attends the investment of great aggregations of capital. It has been guided by no precedent experience. It is no gradual result of a natural evolution. . . . It is a reversal of all that economists have accepted as fundamental axioms of trade. It is an un-

stitutes itself the supremest trade power in the nation. These innovations upon the fixed methods of industry, though fundamentally affecting the citizen's free access to the opportunities of industrialism, take little account of legalities, equally ignoring the law as it stands and as it may possibly be changed to meet the case. This headlong precipitancy has pursued its purpose almost without forethought, certainly with slight consideration for trade moralities or for the weightiest of human liberties, and with little regard for the perils of public order which the outworkings of the system are too liable to evoke."

"In advance of the event, it would not have been deemed possible that the most important

class among our trained and responsible capitalists could at one bound take such a daring leap into the dark. The change is at best a stupendous experiment.

The change, however, is now a fixed fact. It places nearly our entire industrial system upon the monopolistic basis. That is a venture unparalleled in the history of material civilization; and not merely the manufacturing interest, but the still vaster interests thereon dependent, can but await the outcome with an expectancy that must grow more intense as the trial progresses."

Mr. Holt in *The American Monthly* believes the trust craze to be largely due to promoters and bankers. The profit of promoters is very large, usually about 3 per cent., and banks also come in for large profits for underwriting and are largely responsible for over-capitalization. In speaking of future anti-

trust legislation Mr. Holt says:

"Besides the anti-trust laws now on the statutes of nearly thirty States, many severe laws are certain to be passed during the next year against trusts, department stores, insurance companies, etc. It is probable that most of these laws will be mischievous and harmful to business interests, as is the recent Arkansas law, which is handicapping business in that State by preventing cheap and safe insurance. Under this law, as interpreted, no insurance company is permitted to operate in the State if it enters into any rate-fixing agreement in Arkansas or any other State. As all big and safe companies are operating under



deliberated revolt against the most essential force in the regulation of production, distribution, and values—the natural law of competition. It amounts to a complete disruption of the relations between the industrial forces and classes of society. It is an extinguishment of the voluntary exchanges between the producing and merchanting interests, and the creation of one exclusive producing organization for each industry, to which all other material interests must yield subjection. Industry at large is organized into a system of feudalized corporations, each one of which enjoys absolute power within its special branch of production, while taken in the mass the system con-